

ARC920000106US1  
09/759,163

In the Drawings:

None

ARC920000106US1  
09/759,163REMARKS

This amendment is in response to the Examiner's Office Action dated 8/1/2005.

Reconsideration of this application is respectfully requested in view of the foregoing amendment and the remarks that follow.

STATUS OF CLAIMS

Claims 1-8 are pending.

Claims 9-32 are withdrawn from consideration (non-elected species).

Claim 3 is objected to as containing a minor informality.

Claims 1-8 stand rejected under 35 USC § 103(a) as being unpatentable over "eMedia-IT and Lloyds of London Provide Global Insurance for Digital Content," by PR Newswire (hereafter "Newswire") in view of Stefik et al. (USP 6708157).

OVERVIEW OF CLAIMED INVENTION

The presently claimed invention provides a method to enable a purchaser of digital content to additionally purchase insurance against future loss or format incompatibility. The insurance provides the purchaser the means to replace the original digital content with a copy in the same or a new encoding format of the original.

In the Claims

Claim 3 is objected to as containing a minor informality. Applicants have amended claim 3 to remove the duplicate "said" and believe the objection is now overcome.

ARC920000106051  
09/759,163REJECTIONS UNDER 35 USC § 103

Claims 1-8 stand rejected under 35 USC § 103(a) as being unpatentable over "eMedia-IT and Lloyds of London Provide Global Insurance for Digital Content," by PR Newswire (hereafter "cMedia-IT") in view of Stefik et al. (USP 6708157).

To establish a *prima facie* case of obviousness under U.S.C. § 103, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations. Additionally, the teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art, and not based on applicant's disclosure (*In re Vaeck*, 947 F.2d 488, 20 USPQ2d 1438 (Fed. Cir. 1991)). Applicant contends, as will be seen from the arguments below, that the Examiner has failed to establish a *prima facie* case of obviousness under 35 U.S.C. § 103 (a).

The examiner has provided a rejection of claims 1-8 based on a combination of two references. The first reference, eMedia-IT, is directed to a networked storage facility which stores a user's digital files (e.g. data). Of apparent interest to the examiner was the use of the term "insurance". However, the term insurance appears to refer to traditional compensation when eMedia-IT loses a user's data files. cMedia-IT provides no means to return to the user a copy of original purchased digital content. In addition, eMedia-IT does not provide a means to return to the user a different encoding format of the original. The examiner simply included the reference because it uses a similar term "insurance", but has failed to require the terminology to be consistent in functionality and interpretation. The elements of the claims must be functionally

ARC920000106081  
09/759,163

similar and must be interpreted fully in light of the corresponding specification, claims and drawings.

The second reference, US patent 6,708,157, hereafter Stefik, is directed to a "System For Controlling The Distribution And Use Of Digital Works Using Digital Tickets". The examiner has included the Stefik reference to compensate for eMedia-IT's failure to provide a means to recover lost purchased digital content (as is required by the claims). Stefik is directed to digital usage rights, and as will be detailed below, does not provide the elements of the claim either singularly or in combination with eMedia-IT.

The teaching to combine references must come from the references themselves. As eMedia-IT clearly provides no means to compensate the consumer with a new copy or new copy in a new encoding format, there is a complete failure to recognize or solve the problems being addressed by the presently claimed invention. There simply is no nexus to combine eMedia-IT with Stefik other than the examiner's reading of the claim requirements. There is no suggestion, motivation, or teaching within the references themselves that would lead one to make such a combination as eMedia-IT has no ability to provide copies upon failure or loss. One obvious reason for this, is that eMedia-IT is simply backing up a consumer's own data files, not providing consumer purchased digital content, i.e. content from a third party (e.g. music or software). As such, they have no access to the original data itself once lost or destroyed. In addition, as they only store the user's own data, there is no upgrading to future encoding formats. eMedia-IT's focus on securely storing a user's data teaches away from Stefik as Stefik is interested in distribution of an author's digital works, not the user's. As there is no teaching within the references themselves to combine their teachings, the rejection is deemed improper and the rejection is respectfully requested to be removed.

ARC920000106US1  
09/759,163

Claim 1 rejection:

Claim 1 requires at least the following elements not provided nor suggested by the references individually or in combination:

- A method of insuring purchased distributed digital content
- receiving an indication a consumer has purchased content insurance on specified purchased digital content distributed via communication networks
- said content insurance insuring said consumer against loss of said specified purchased digital content
- maintaining information identifying said consumer and indicating said consumer has purchased content insurance on said specified purchased digital content

The eMedia-IT reference simply offers insurance (traditional monetary compensation) against loss of a user's own data stored on the eMedia-IT system. Referring to eMedia-IT, page 1, last line of 2<sup>nd</sup> paragraph of Abstract, "secure storage medium" and page 2, paragraph 7 "store, revise, track, and distribute their (emphasis added) files throughout the world". eMedia-IT does not teach, nor suggest insuring, tracking, or recovering purchased digital content. Stefik is not directed to a method of insuring purchased distributed digital content, and is silent with respect to purchasing any type of insurance, and therefore cannot provide the method steps necessary to provide such a feature. Therefore, the combination of references does not provide, nor suggest a method of insuring purchased distributed digital content.

Claim 1 additionally requires at least the following elements not provided nor suggested by the references individually or in combination:

ARC920000106US1  
09/759,163

- receiving an indication said consumer has made a claim to recover lost digital content
- verifying said lost digital content is the same as said specified purchased digital content for which said content insurance was also purchased

Neither the eMedia-IT reference nor the Stefik patent provide nor suggest steps to process a claim against an insured loss and therefore cannot provide the receiving and verifying steps of claim 1.

Claim 1 additionally requires at least the following element not provided nor suggested by the references individually or in combination:

- enabling said consumer to receive a new copy of said specified purchased digital content via said communication networks.

Neither the eMedia-IT reference nor the Stefik patent provide nor suggest steps enabling said consumer to receive a new copy of said specified purchased digital content via said communication networks. The examiner has referred to the "restore transaction" feature as disclosed by Stefik in column 38 as equating to the "new copy of said specified purchased digital content via said communication networks" as claimed. First, this is not a new copy. It is simply a restored back-up copy. Referring to column 37, lines 20+, "A Backup transaction is a request to make a back-up copy of a digital work, as a protection against media failure" and column 38, lines 19-21, "...a digital work corresponding to the request has been back-ed up.) If it is not, it ends the transaction with an error". Another words, when a user first downloads a digital work, they make a locally stored back-up copy which can be restored at a later time (a very common feature in the software community). If the user does not make a back-up copy or their local

ARC920000106US1  
09/759,163

storage fails, they cannot restore the data. The present invention does not require the user to make back-up copies, but rather purchase insurance which will provide them new copies upon the loss of their existing purchased digital content.

Claim 2 rejection:

Claim 2 requires at least the following elements not provided nor suggested by the references individually or in combination:

- A method of insuring purchased distributed digital content for a consumer of said purchased digital content, wherein said new copy of said specified purchased digital content is in the same format as said lost digital content.

As explicitly pointed out by the examiner, eMedia-IT does not provide a new copy of lost data and therefore is silent with respect to format. Stefik does not insure purchased digital content and therefore the format is not applicable.

Claim 3 rejection:

Claim 3 requires at least the following elements not provided nor suggested by the references individually or in combination:

- wherein said content insurance further allows said consumer to upgrade said specified purchased digital content to a new encoding format

As explicitly pointed out by the examiner, eMedia-IT does not provide a new copy of lost data and therefore is silent with respect to format. Stefik does not insure purchased digital content and therefore the format is not applicable. In addition, Stefik's reference to new software versions purchased at a later time for a reduced fee is not applicable. As is well known in the art, a new version of software typically involves feature upgrades and/or error corrections and is not

ARC920000106US1  
09/759,163

directed to encoding format. Stefik does not describe, nor suggest any encoding format changes as is claimed by the present invention. The examiner is respectfully requested to particularly point out in the Stefik reference where a software version upgrade equates to a change in encoding format.

**Claim 4 rejection:**

Claim 4 requires at least the following elements not provided nor suggested by the references individually or in combination:

receiving an indication said consumer has made a claim to upgrade digital content to a new format;

verifying said digital content to be upgraded is the same as said specified purchased digital content for which said content insurance was also purchased;

enabling said consumer to receive a new copy of said specified purchased digital content encoded in a new encoding format via said communication networks.

Previous claim 1-3 arguments collectively address the failure of the references to meet claim 4 elements.

**Claim 5 rejection:**

Claim 5 requires at least the following elements not provided nor suggested by the references individually or in combination:

- charging said consumer an amount for said new copy of said specified purchased digital content encoded in a new encoding format which is a fraction of the price for a new purchase of said specified purchased digital content in said new encoding format

The above claim 3 arguments are applicable to claim 5 elements.

ARC920000106US1  
09/759,163**Claim 6 rejection:**

Claim 6 requires at least the following elements not provided nor suggested by the references individually or in combination:

- a limited number of format upgrades or a limited time for which upgrades are available with the option of renewal

The above claim 3 arguments are applicable to claim 6 elements. Specifically, Stefik does not describe payment for encoding format upgrades. In addition, the present invention is not limited to a single upgrade as is the Stefik patent. And finally, Stefik is silent as to any "limited time" periods.

**Claim 7 rejection:**

Claim 7 requires at least the following elements not provided nor suggested by the references individually or in combination:

- said content insurance was purchased at a cost which is a fraction of the price of said specified purchased digital content.

eMedia-IT does not discuss the relative cost of the insurance to the purchased digital content as there is no purchased content in the eMedia-IT. The \$250 cost is a yearly fee, not a per purchased digital content fee. In addition, eMedia-IT's references to nominal cost and \$250 are in direct conflict with the \$10 copyright charges discussed in the Stefik patent (column 17, line 59). It is clear they are not describing similar features. And finally, Stefik does not sell the consumer insurance and therefore cannot satisfy the claim language elements.

ARC920000106US1  
09/759,163

Claim 8 rejection:

Claim 8 requires at least the following elements not provided nor suggested by the references individually or in combination:

- wherein the terms and conditions of said content insurance includes any of: restrictions on the number of claims that can be filed, payment of a deductible for a claim, requiring disclosure of private information by said consumer when making a claim, or having a limited term with the option of renewal

Both references are silent on all of these features. Column 47, lines 23-25 of Stefik only refer to a single upgrade restriction and no other restrictions.

#### SUMMARY

As has been detailed above, none of the references, cited or applied, provide for the specific claimed details of applicants' presently claimed invention, nor renders them obvious. It is believed that this case is in condition for allowance and reconsideration thereof and early issuance is respectfully requested.

As this amendment has been timely filed within the set period of response, no petition for extension of time or associated fee is required. However, the Commissioner is hereby authorized to charge any deficiencies in the fees provided to Deposit Account No. 12-0010.

ARC920000106US1  
09/759,163

If it is felt that an interview would expedite prosecution of this application, please do not hesitate to contact applicants' representative at the below number.

Respectfully submitted,



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